



General Assembly

Substitute Bill No. 913

January Session, 2005

* _____SB00913CE_PD_032105_____*

**AN ACT CONCERNING TAX CREDITS FOR BUSINESSES HIRING
EXOFFENDERS RESIDING IN DISTRESSED MUNICIPALITIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2005, and applicable to income years*
2 *commencing on or after January 1, 2006*) (a) As used in this section:

3 (1) "Business firm" means any business entity authorized to do
4 business in this state and subject to the corporation business tax
5 imposed under chapter 208 of the general statutes;

6 (2) "Distressed municipality" has the same meaning as provided in
7 section 32-9p of the general statutes; and

8 (3) "Qualifying employee" means an employee who (A) is employed
9 not less than thirty hours per week by a business firm during an
10 income year of the business firm commencing on or after January 1,
11 2006, and (B) at the time of being hired by such business firm, resides
12 in a distressed municipality and has a prior conviction of a crime. For
13 the purposes of this subdivision, the number of hours per week an
14 employee participates in a job training program approved by the Labor
15 Commissioner shall be included in calculating the number of hours
16 such employee is employed by a business firm.

17 (b) Any business firm that hires a qualifying employee in any

18 income year commencing on or after January 1, 2006, may apply to the
19 Labor Commissioner for an allocation of a credit against the tax
20 imposed under chapter 208 of the general statutes in an amount equal
21 to one hundred twenty-five dollars for each full month that such
22 employee is employed by such firm. The application for a tax credit
23 under this subsection shall set forth information that said
24 commissioner deems necessary in regulations that the Labor
25 Commissioner shall adopt in accordance with chapter 54 of the general
26 statutes.

27 (c) Applications shall be submitted annually to the Labor
28 Commissioner on or after July first but not later than December thirty-
29 first. The commissioner shall approve or disapprove each application
30 not later than sixty days after its submission to the commissioner based
31 on (1) the compliance of such application with the provisions of this
32 section and regulations adopted under this section, and (2) the amount
33 of tax credits remaining in the annual allotment provided in this
34 section for the year involved. The commissioner shall approve
35 applications in the order in which they are received in the
36 commissioner's office between July first and December thirty-first of
37 each year. If the commissioner approves the application of a business
38 firm and the limit for tax credits for that year under subsection (e) of
39 this section has not yet been allocated, the commissioner shall allocate
40 and commit an amount of tax credits to such business firm in
41 accordance with this section. Any business firm receiving such an
42 allocation shall, not later than thirty days after the end of its income
43 year, submit a report on the number of full months that qualifying
44 employees were employed by such firm during such year.

45 (d) A business firm shall claim a tax credit under this section on the
46 tax return for the income year during which qualifying employees
47 were employed for full months by the business firm. Any tax credit not
48 used in the period for which the tax credit is allocated may be carried
49 forward for the five succeeding income years of the business firm until
50 the full credit has been allowed.

51 (e) The total amount of all tax credits allocated to all business firms
52 pursuant to the provisions of this section shall not exceed one million
53 dollars in any fiscal year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2005, and applicable to income years commencing on or after January 1, 2006</i>	New section

Statement of Legislative Commissioners:

In section 1(a)(3)(B), the word "had" was deleted for purposes of grammar.

CE *Joint Favorable Subst. -LCO C/R*

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